



**UNIVERSITI PUTRA MALAYSIA**

**THE EFFECT OF SERVICE PROCESS ON GUESTS ENCOUNTER  
SATISFACTION AT THREE-STAR HOTELS**

**HAIRUDDIN MOHD. ALI.**

**GSM 2006 8**

**THE EFFECT OF SERVICE PROCESS ON GUESTS ENCOUNTER  
SATISFACTION AT THREE-STAR HOTELS**

**By**

**HAIRUDDIN BIN MOHD ALI**

**Thesis Submitted to the Graduate School of Management, University Putra  
Malaysia, in Fulfillment of the Requirement for the Degree of Doctor of Philosophy**

**November 2006**



## **DEDICATION**

This thesis is dedicated to my late parents, Hj. Mohd. Ali and Hjh. Yang Nahar (Alfatihah), my beloved wife, Pn. Abidah Seman and all my children for their love, support, motivation and sacrifice for my achievements.

Abstract of thesis presented to the Senate of University Putra Malaysia in fulfillment of the requirement for the degree of Doctor of Philosophy

**THE EFFECT OF SERVICE PROCESS ON GUESTS ENCOUNTER  
SATISFACTION AT THREE-STAR HOTELS**

By

**HAIRUDDIN BIN MOHD ALI**

November 2006

**Chair: Associate Professor Jamil Bojei, PhD**

**Faculty: Graduate School of Management**

Most studies on the hotel industry deal with customer satisfaction and service quality in general. However, this study focuses on encounter satisfaction during the check-in process at three-star hotels in Peninsular Malaysia. The objectives of the study are to examine the ten dimensions of perceptual filters (PF) of the service process that directly affect guests encounter satisfaction (GEST) at the check-in process and to evaluate whether these PF components are indirectly affecting GEST through mediators referred to as situational descriptors (SD) of the service process. In addition, this study develops and examines a hypothesized model for any causal relationships.

The Seven-point Likert scale survey instrument is used to collect data from 1,250 guests from thirty-five selected three-star hotels and the SPSS version 11.5 software is used to compute descriptive statistics, carry out factor analyses and reliability testing. AMOS 4.0 is employed for confirmatory factor analysis (CFA), model and hypotheses testing.

Analyses of the findings show an overall good-fit with the revised and competing models of the study. Confirmatory Factor Analysis (CFA) confirms the three-factor solution for both revised and competing models. In addition, CFA also confirms that five indicators measure the PF and SD, while three indicators measure the GEST. The causal direct and indirect effects of the structural model are also determined. Two (H3 & H5) out of five research hypotheses are supported by the findings of the study.

The findings of the study indicate that key attributes of frontline employees directly affect GEST at the check-in service process of three-star hotels covered in the study. The important attributes and qualities of front-line employees relevant for GEST are being knowledgeable of the required processes to ensure consistency of performance, possess empathy to inspire trust and confidence, being well groomed and possess the ability to articulate the guest's active role in the service delivery process. In addition, guests encounter satisfactions are increased when frontline employees have knowledge of cross-cultural sensitivities to fulfill guests' emotional satisfaction and when the safety of the guests is always ensured. An important finding of the study is that the cliché "value for money" does not always entice guests.

Although the scope of this study is limited to only three-star hotels in Peninsular Malaysia and the total number of PF and SD dimensions are limited to ten and eight respectively, nevertheless, the results are applicable to all hotels in general. In conclusion, this study establishes that in order to achieve the organization's objective, the management of hotels has to ensure that the employees and customers are effectively managed.

Abstrak tesis yang dikemukakan kepada Senat Universiti Putra Malaysia sebagai memenuhi keperluan untuk ijazah Doktor Falsafah

**KESAN PROSES PERKHIDMATAN KE ATAS PERTEMBUGAN  
KEPUASAN PARA TETAMU DI HOTEL BERTARAF TIGA BINTANG**

Oleh

**HAIRUDDIN BIN MOHD ALI**

**November 2006**

**Pengerusi: Profesor Madya Jamil Bojei, PhD**

**Fakulti: Sekolah Pengajian Siswazah Pengurusan**

Umumnya, kebanyakan kajian dalam industri perhotelan adalah berkaitan kepuasan pelanggan dan kualiti perkhidmatan. Walau bagaimanapun kajian ini berfokus kepada pertembungan kepuasan (encounter satisfaction) sewaktu proses daftar masuk hotel tiga bintang di Semenanjung Malaysia. Objektif kajian adalah untuk memeriksa (examine) sepuluh dimensi tapisan persepsi (perceptual filters, PF) proses perkhidmatan yang memberi kesan langsung terhadap pertembungan kepuasan tetamu hotel (guests encounter satisfaction, GEST) sewaktu proses daftar masuk dan juga untuk menilai sama ada komponen-komponen PF memberi kesan langsung ke atas GEST melalui pembolehubah perantara (mediators) yang dirujuk sebagai pemberi keterangan situasi (situational descriptors, SD) proses perkhidmatan. Sebagai tambahan, kajian ini juga telah membina serta memeriksa model yang dihipotesiskan bagi menentukan sama ada terdapatnya perhubungan kausal (causal relationships).

Instrumen tinjauan berskala Likert tujuh-mata (seven-point Likert scale) digunakan untuk mengutip data daripada 1,250 tetamu hotel di tigapuluhlima hotel tiga bintang terpilih dan aplikasi Pakej Statistik untuk Sains Sosial (SPSS) versi 11.5 telah digunakan untuk pengiraan statistik deskriptif, melaksanakan analisis faktor dan penentuan kebolehpercayaan (reliability). Aplikasi AMOS 4.0 (Analysis of Moment Structures) juga digunakan untuk analisis pengesahan faktor (confirmatory factor analysis, CFA), ujian ke atas model dan hipotesis.

Umumnya analisis dapatan kajian menunjukkan wujudnya kesepadanan sempurna (good-fit) untuk model semak semula (revised model) dan model perbandingan (competing model). Analisis pengesahan faktor mengesahkan solusi tiga faktor (three-factor solution) bagi kedua-dua model di atas. Tambahan pula analisis pengesahan faktor juga telah mengesahkan lima indikator masing-masing yang mengukur PF dan SD, dan pada masa yang sama tiga indikator didapati mengukur GEST. Kesan kausal langsung dan tidak langsung model struktur (structural model) juga telah ditentukan di samping hasil kajian telah menyokong dua (H3 dan H5) daripada lima hipotesis kajian.

Dapatan kajian juga menunjukkan, atribut staf barisan hadapan (frontline employees attributes) memberi kesan langsung terhadap GEST sewaktu proses daftar masuk di hotel tiga bintang yang dikaji. Antara atribut penting dan ciri kualiti staf barisan hadapan adalah berpengetahuan bagi menentukan ketekalan prestasi, mempunyai empati bagi menginspirasi kepercayaan dan keyakinan, berpakaian segar dan kemas serta memiliki keupayaan menggunakan peranan aktif tetamu hotel sewaktu proses penyampaian perkhidmatan. Tambahan pula, kadar pertembungan kepuasan tetamu

meningkat apabila staf barisan hadapan memiliki pengetahuan sensitiviti silang budaya bagi tujuan memenuhi kepuasan emosi tetamu di samping sentiasa memastikan keselamatan mereka. Satu lagi dapatan kajian menunjukkan kenyataan “menguntungkan daripada segi kewangan” (value for money) tidak selalunya mampu menarik tetamu.

Walaupun skop kajian ini hanya terbatas kepada hotel bertaraf tiga bintang di Semenanjung Malaysia sahaja dan jumlah dimensi PF serta SD terbatas kepada masing-masing sepuluh dan lapan sahaja, tetapi hasil kajian ini umumnya boleh digunapakai bagi semua kategori hotel. Kesimpulannya kajian ini menunjukkan, bagi mencapai objektif sesebuah organisasi pihak pengurusan hotel perlu memastikan pengurusan staf dan pelanggan dilakukan dengan efektif.



## ACKNOWLEDGEMENTS

It is impossible to reach this level of achievement without the significant contributions and guidance given by various great people. I am taking this opportunity to express my deepest gratitude and appreciation to them for the assistance, support and motivation that they have extended to me. First and foremost, I would like to thank my supervisor, advisor and mentor, Associate Professor Dr. Jamil bin Bojei (GSM, UPM) for his excellent and significant guidance, supervision as well as patience for the last seven years. Without his outstanding commitment, I would not have been able to complete this study successfully. I would also like to take this opportunity to extend my thanks to my supervisory committee members, Professor Dr. Muhammad bin Muda (UiTM) and Professor Dr. Samsinar bt. Md. Sidin (UPM) for their help and input for the study.

I am also greatly indebted to my great friend, Professor Dr. Mohamad Sahari Nordin (UIAM) for his assistance and advice. I am also indebted to my colleagues at Institut Aminuddin Baki, Ministry of Education Malaysia, namely Dr. Ahmad Rafee Che Kassim, Dr. Abdul Aziz Noor and Mr. Abdul Razak Manaf for their invaluable comments and assistance.

I would also like to extend my thanks to Mr. B. Sarjit Singh from Malaysian Association of Hotels (MAH) and his subordinate especially Miss Sharon Lu for their continuous help and cooperation and special thanks also go to the participating hotels that help made the study successful.

Finally, I would like to express my deepest gratitude to my late parents, my beloved wife and children and my brothers and sisters. Without the inspiration and support from these great people, there is no way that this study will be a successful one.

I certify that an Examination Committee met on 25<sup>th</sup> May 2006 to conduct the final examination of **Hairuddin bin Mohd Ali** on his **Doctor of Philosophy** thesis entitled **"The effect of Service Process on Guests Encounter Satisfaction at Three Star Hotels"** in accordance with Universiti Pertanian Malaysia (Higher Degree) Act 1980 and Universiti Pertanian Malaysia (Higher Degree) Regulations 1981. The Committee recommends that the candidate be awarded the relevant degree. Members of the Examination Committee are as follows:

**Foong Soon Yau, PhD**

Associate Professor  
Graduate School of Management  
Universiti Putra Malaysia  
(Chairman)

**Hajah Faridah bt. Hassan, PhD**

Professor  
Faculty of Business and Management  
Universiti Teknologi MARA  
(External Examiner)

**Nik Kamariah Nik Mat, PhD**

Associate Professor  
Faculty of Business Management  
Universiti Utara Malaysia  
(Internal Examiner)

**Rosli Salleh, PhD**

Graduate School of Management  
Universiti Putra Malaysia  
(Internal Examiner)

**Jamil Bojei, PhD**

Associate Professor  
Graduate School of Management  
Universiti Putra Malaysia  
(Representative of the Supervisory Committee/Observer)



**RADUAN CHE ROSE, PhD**

Associate Professor/Deputy Dean  
Graduate School of Management  
Universiti Putra Malaysia

Date: **31/6/07**

This thesis submitted to the Senate of Universiti Putra Malaysia has been accepted as fulfillment of the requirement for the degree of Doctor of Philosophy. The members of the Supervisory Committee are as follows:

**Jamil Bojei, PhD**

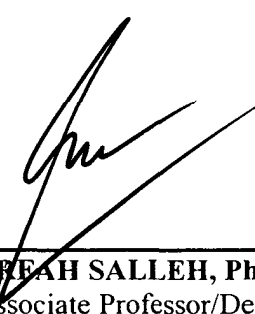
Associate Professor  
Graduate School of Management  
Universiti Putra Malaysia  
(Chairman)

**Samsinar Md. Sidin, PhD**

Professor  
Deputy Dean (Academic & Student Affair)  
Faculty of Economics and Management  
Universiti Putra Malaysia  
(Member)

**Muhamad Muda. PhD**

Professor  
Faculty of Hotel & Tourism Management  
Universiti Teknologi MARA  
Shah Alam, Selangor  
(Member)



---

**AFEAH SALLEH, PhD**  
Associate Professor/Dean  
Graduate School of Management  
Universiti Putra Malaysia

Date: 14/6/2007

## DECLARATION

I hereby declare that the thesis is based on my original work except for quotations and citations which have been duly acknowledged. I also declare that it has not been previously or concurrently submitted for any other degree at UPM or any other institutions.

  
**HAIRUDDIN BIN MOHD ALI**

Date: 24.11.2006

## TABLE OF CONTENTS

	<b>Page</b>
DEDICATION	ii
ABSTRACT	iii
ABSTRAK	v
ACKNOWLEDGEMENTS	vii
APPROVAL SHEETS	ix
DECLARATION	xi
LIST OF TABLES	xvi
LIST OF FIGURES	xx
LIST OF ABBREVIATIONS	xxi

## CHAPTER

1	INTRODUCTION	
	1.1 Background	1
	1.2 Problem statement	5
	1.3 Objectives of the study	7
	1.4 Research hypotheses	9
	1.5 Justification of the study	13
	1.6 Organization of the thesis	16
2	OVERVIEW OF HOSPITALITY MARKETING: HOTEL INDUSTRY	
	2.1 Preamble	18
	2.2 What hospitality means	18
	2.3 Scope of hospitality industry	20
	2.4 Characteristics of hospitality services	21
	2.5 Elements of marketing for hotel service	22
	2.6 Price	26
	2.7 Promotion	28
	2.8 People (Employees)	29
	2.9 Physical evidence (facilities)	30
	2.10 Process management	30
	2.11 The front office	32
	2.12 Characteristics of a hotel	34
	2.13 Hotel grading	36
	2.14 Tourism and Malaysian economy	45
	2.15 Hotel industry in Malaysia	48
	2.16 Summary	57
3	REVIEW OF LITERATURE	
	3.1 Preamble	58
	3.2 What is a service?	58



3.3	The development and emergence of services marketing thought	59
3.3.1	Crawling out (pre-1980)	60
3.3.2	Scurrying about (1980-1985)	61
3.3.3	Walking erect (1986-present)	62
3.4	An integrated approach to service management	69
3.4.1	Product elements	69
3.4.2	Place, cyberspace and time	70
3.4.3	Process	71
3.4.4	Productivity and quality in service management	71
3.4.5	People	71
3.4.6	Promotion and education	72
3.4.7	Physical evidence	72
3.4.8	Price and other costs of service	72
3.5	Relationship between process and services	73
3.6	Service process definitions	74
3.6.1	People processing	75
3.6.2	Possession processing	76
3.6.3	Mental stimulus processing	76
3.6.4	Information processing	76
3.7	Service encounters	77
3.8	Service encounters satisfaction	86
3.8.1	Customer satisfaction and service quality theory	86
3.8.2	The factor theory of customer satisfaction	87
3.8.3	Encounter satisfaction	89
3.9	Recent studies on hotel service encounters satisfaction	93
3.10	Background and theoretical model foundation	102
3.11	Situational descriptors of service process (SD)	111
3.11.1	Employee appearance (EMAPP)	111
3.11.2	Duration (DURA)	112
3.11.3	Work area appearance (WKPLA)	113
3.11.4	Employee effort (EMEFF)	113
3.11.5	Empathy (EMPAT)	114
3.11.6	Assurance (ASSUR)	115
3.11.7	Reliability (RELIA)	115
3.11.8	Customer participation (CUPART)	116
3.12	Perceptual filters of service process (PF)	118
3.12.1	Brand image (IMAGE)	119
3.12.2	Mood (MOOD)	121
3.12.3	Service guarantee (SGUR)	122
3.12.4	Perceived risk (PR)	126
3.13	Theoretical model of the study	131
3.14	Summary	135
4	METHODOLOGY	
4.1	Preamble	136
4.2	SEM model construct	136

4.3	Structural and measurement model	141
4.3.1	Structural model	144
4.3.2	Measurement model	145
4.4	Research process	148
4.5	Sample design, size and procedures	149
4.6	Sampling frame	160
4.7	Response rate, data collection and handling	161
4.8	Format of survey instruments	165
4.9	Survey instrument scales	168
4.10	Validity	170
4.10.1	Definitions of validity	170
4.10.2	Content validity	171
4.10.3	Construct validity	171
4.11	Pretest of survey instruments	173
4.12	Statistical techniques	176
4.14	Summary	179
5	DATA ANALYSIS AND PRESENTATION OF RESULTS	
5.1	Preamble	180
5.2	Response rate	180
5.2.1	Responses from clusters and respondents	180
5.2.2	Response bias issue	182
5.2.3	Demographic profile of respondents	186
5.3	Data screening	188
5.3.1	Descriptive statistics for all key constructs (N=318)	189
5.3.2	Treatment of outliers	192
5.3.3	Descriptive statistics for all key constructs (N=296)	196
5.3.4	Linearity and homoscedasticity	200
5.3.5	Multicollinearity and singularity	201
5.4	Principal components (PCA) and factor analysis (FA)	205
5.5	Reliability	228
5.6	Validity	234
5.7	Structural equation modeling (SEM) analysis	239
5.7.1	Model specification	239
5.7.2	Evaluating goodness-of-fit criteria	243
5.7.3	Test of the hypothesized model	245
5.7.3.1	Overall model fit for hypothesized model	245
5.7.3.2	Measurement model fit for hypothesized model	249
5.7.3.3	Structural model fit for hypothesized model	252
5.7.4	Evaluating the revised model	254
5.7.4.1	Overall model fit for revised and competing model	255



	5.7.4.2 Measurement model fit for revised and competing models	261
	5.7.4.3 Structural model fit for revised and competing models	264
5.8	Results of the study	266
5.9	Summary	269
6	DISCUSSIONS AND CONCLUSIONS	
6.1	Preamble	271
6.2	Discussion on major findings of the study	271
6.2.1	Confirmed hypotheses	271
6.2.1.1	Direct effects	272
6.2.1.2	Indirect effects	278
6.2.2	Unsupported hypotheses	284
6.2.2.1	Direct effects	284
6.2.2.2	Indirect effects	291
6.3	Implications from the study	292
6.3.1	Theoretical implications	292
6.3.2	Practical implications	294
6.3.2.1	Situational descriptors (SD)	296
6.3.2.2	Perceptual filters (PF)	302
6.3.3	Implication to Malaysian Hotel Association (MAH)	306
6.3.4	Implication to the government	307
6.4	Key limitations of the study	308
6.5	Problems and hindrances	312
6.6	Suggestions for future research	313
6.7	Conclusion	316
	REFERENCES	318
	LIST OF APPENDICES	351
	BIODATA	420

## LIST OF TABLES

<b>Tables</b>	<b>Title</b>	<b>Page</b>
2.1	Types of Hotels	35
2.2	Minimum Requirements for Three Star Rating of Hotels	38
2.3	Tourist Arrivals to Malaysia from Selected Market	46
2.4	Tourist Arrivals to Malaysia from West Asia	47
2.5	Malaysia Tourist Receipts	48
2.6	Hotels and Room Supply	49
2.7	Summary of Existing Supply of Hotel Rooms by Star Rating in Malaysia	50
2.8	Hotel Classification Statistics by State (December, 2003)	51
2.9	Average Occupancy Rate for 3-5 Star Hotels in Malaysia	52
2.10	Average Occupancy Rate of Hotels by Locality (January-March, 2004/2005)	53
2.11	Hotel Guests by Locality (January-December 2002/2003)	55
3.1	General Services Marketing Literature (as of Nov. 1992)	64
3.2	Service Management Literature from Walking Erect Stage	65
3.3	The Most Prolific General Service Marketing Authors (as of Nov. 1992)	66
3.4	Focus of Panelists' Forecasts for the Future of Services Marketing	68
3.5	8Ps Model of Integrated Service Management	70
3.6	Summary of studies on Critical Incident Technique	85
3.7	Summary of studies on Service Encounters	86
3.8	Summary of the studies on Hotel Service Encounters Satisfaction from 1990 to 2005.	97

3.9	Summary of key research on Situational Descriptors of Service Process (SD)	117
3.10	Sources of perceived risk category	129
3.11	Summary of key research on Perceptual Filters of Service Process (PF)	130
4.1	Construct Loadings for Measurement Models	147
4.2	Correlations Among the Constructs	148
4.3	Determination of Sample Size Through the Confidence Interval and Margin of Error (accuracy)	158
4.4	Linkage of survey Instrument Questions with Service Process Model Constructs (Perceptual Filters and Situational Descriptors)	167
5.1	Summary of Overall Response Rate	181
5.2	Analyses of Possible Response Bias For Two Groups Of Respondents	183
5.3	Demographic Profile Of Respondents (Hotel Guests)	187
5.4	Comparison of Descriptive Statistics For All Key Constructs (N=318)	190
5.5	List of Deleted Cases After The Application Of Mahalanobis Distance	194
5.6	Comparison of Descriptive Statistics For All Key Constructs For Final Dataset (296 Responses)	198
5.7	SPSS Output For Multicollinearity Diagnostic	203
5.8	Observed Correlation Matrix And Descriptive Statistics For The Items of Perceptual Filters (PF) of Service Process (IMAGE, MOOD & SGUR).	207
5.9	Observed Correlation Matrix And Descriptive Statistics For The Items On Perceptual Filters (PF) of Perceived Risk Dimensions	208
5.10	Observed Correlation Matrix And Descriptive Statistics For The Items On Situational Descriptors of Service Process (SD)	211
5.11	Correlation Matrix And Descriptive Statistics For The Items On Guests (check-in) Encounter Satisfaction (GEST)	214

5.12	KMO And Bartlett's Test For The Items On Perceptual Filters (PF), Situational Descriptors (SD) and Guests (Check-in) Encounter Satisfaction (GEST).	215
5.13	Principal Component Analysis Result for Perceptual Filters (PF) of Service Process (MOOD, IMAGE & SGUR)	217
5.14	Rotated Component Matrix for Perceptual Filters (PF) of Service Process (MOOD, IMAGE & SGUR)	218
5.15	Principal Component Analysis for Perceptual Filters (PF) of Perceived Risk (Seven Dimensions)	219
5.16	Rotated Component Matrix for Perceptual Filters (PF) of Perceived Risk dimensions	221
5.17	Principal Components Analysis for eight dimensions of Situational Descriptors Of Service Process (SD)	223
5.18	Rotated Component Matrix for Situational Descriptors of Service Process (SD)	225
5.19	Principal Component Analysis for Guests Service (Check-In) Encounter Satisfaction (GEST)	226
5.20	Rotated Component Matrix For Guests (check-n) Encounter Satisfaction (GEST)	227
5.21	Reliability Indices for Perceptual Filters (PF) of Service Process	230
5.22	Reliability Indices for Situational Descriptors of Service Process (SD)	232
5.23	Reliability Index for Guests (Check-in) Encounter Satisfaction (GEST)	233
5.24	Correlation of Retained Constructs	238
5.25	Fit Indices of the Hypothesized Model	247
5.26	Confirmatory Factor Analysis Results for Hypothesized Model	251
5.27	Structural Equation Model Results for Hypothesized Model (Standardized Parameter Estimates)	253
5.28	A Summary of Standardized Causal Effects of the GEST (Hypothesized Model)	253

5.29	Correlation Among the Exogenous and Endogenous Latent Variables of the Hypothesized Model	254
5.30	Fit Indices of the Revised and Competing Models	258
5.31	Confirmatory Factor Analysis Results for Revised and Competing Models	262
5.32	Structural Equation Model Results for Revised and Competing Models (Standardized Parameter Estimates)	264
5.33	A Summary of Standardized Causal Effects on GEST (Revised and Competing Models)	265
5.34	Correlation Among the Exogenous and Endogenous Latent Variables of the Revised and Competing Models	266
6.1	Nature of Service Act	315

## LIST OF FIGURES

<b>Figures</b>	<b>Title</b>	<b>Page</b>
1.1	General Theoretical Model of Service Process	15
2.1	Three Elements of Hotel Service Offerings	23
3.1	Levels of Customer Contact with Service Organization	80
3.2	The Factor Theory of Customer Satisfaction	89
3.3	Hierarchy of Service Process	105
3.4	Evolution of Perceived Service Features Model	107
3.5	Proposed Theoretical Model of Service Process	134
4.1	Theoretical Model of SEM	139
4.2	Hypothesized Model of SEM	143
5.1	Hypothesized Model of the Study	242
5.2	Generated Output of the Hypothesized Model	248
5.3	Generated Output of the Revised Model	259
5.4	Generated Output of the Competing Model	260
6.1	Management Triad of Three Star Hotel Category	296

## LIST OF ABBREVIATIONS

MAH	Malaysian Association of Hotels
TQM	Total Quality Management
ISO	Organization for Standardization
PF	Perceptual Filters of Service Process A set of cognitive beliefs or affective states that influence a consumer's perception of a service (Mayer, 1999)
SD	Situational Descriptors of Service Process The elements of service process which are primarily variable in the delivery of a service (Mayer, 1999).
PSD	Process of Service Delivery
MD (IMAGE & MOOD)	Image & Mood Factor Image was an overall impression made in the minds of the customers (Dichter, 1985; LeBlanc & Nguyen, 1996). Mood reflected mild, pervasive and generalized affective states that were induced by a variety of factors (Clark & Isen, 1982)
SGUR (SG)	Service Guarantees
PRFUNC (FT)	Functional Risk
PRFIN*	Financial Risk
PRSOC*	Social Risk
PRTEM	Temporal Risk
PRPHY (PY)	Physical Risk
PRPSY (PT)	Psychological Risk
PRSEN (SY)	Sensory Risk
FS*	Financial & Social Risk Factor

RELIA (RE)	<p>Reliability</p> <p>Ability to deliver the right service as promised on every service encounters.</p>
ASSUR (AS)	<p>Assurance</p> <p>Assurance (ASSUR) comprised employee's knowledge, courtesy, and the ability of the firm and its employees to inspire trust and confidence.</p>
EMPAT**	<p>Empathy</p> <p>Parasuraman and Zeithaml defined empathy as an ability to provide the customer with caring, individualized attention.</p>
EMEFF**	<p>Employee Effort</p> <p>Presbury, Fitzgerald and Chapman (2005) suggested that employee effort (EMEFF) as a commitment to service quality by the employees.</p>
EMAPP (EE)	<p>Employee Appearance</p> <p>Employee Appearance are the personal aspects of a customer-contact employee's presence.</p>
WKPLA (WP)	<p>Work Area Appearance</p> <p>Work area appearance covered the variable aspects of 'look and feel' of the service location such as cleanliness, tidiness (neatness), smartness, minimal noise levels, attractive, ambience, suitable lighting and others.</p>
CUPART (CP)	<p>Customer Participation</p> <p>Customer participation (CUPART) generally referred to the customer's active role in the production and delivery of services.</p>
DURA (DA)	<p>Duration</p> <p>Moulton (2003) defined 'duration' as the total time involved in completing service encounters including both pre-process and in-process periods.</p>
EA**	<p>Empathy &amp; Employee Effort Factor</p>
GEST	<p>Guests (check-in) Encounter Satisfaction</p> <p>A guest's satisfaction or dissatisfaction with a discrete service encounters (Mayer, 1999).</p>
SSCI	<p>Social Science Citation Index</p>



PCA	Principal Component Analysis PCA is a statistical technique applied to a single set of variables when the researcher is interested in discovering which variables in the set form coherent subsets that are relatively independent of one another (Tabachnick & Fidell, 2001). PCA produces components while FA produces factors.
FA	Factor Analysis (refer to PCA).
CFA	Confirmatory Factor Analysis Use of multivariate technique to test (confirm) a prespecified relationship (Hair, Anderson, Tatham & Black, 1995).
ST/DV	Standard Deviation
KMO	Kaiser-Meyer-Olkin
DF	Degrees of Freedom
PRATIO	Parsimony ratio
CMIN/DF	The minimum discrepancy divided by its degrees of freedom
RMSEA (or RMS)	Root mean square error of approximation
NFI	Bentler-Bonett (1980) normed fit index
RFI	Bollen's (1986) relative fit index
IFI	Bollen's (1989) incremental fit index
TLI	Tucker-Lewis coefficient
CFI	Comparative fit index
GFI	Goodness-of-fit index
AGFI	Adjusted Goodness-of-fit index
PGFI	Parsimony goodness-of-fit index
RMR	Root mean square residual